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## THE BUSINESS OF FARMING IN SOUTHEASTERN SOUTH DAKOTA

by

H. D. McCullough  
Farm Management Demonstrator.

How shall one go about it to make money from farming in Southeastern South Dakota? What size of farm is desirable and what combination of crops and livestock will pay best? In an effort to find an answer to these questions and to build up some standards by which the farmers in the Southeastern part of the State might measure their business the Demonstrator cooperated with the County Agents in Clay, Minnehaha, Lake and Union Counties, and with the Smith-Hughes Agricultural Instructor at Letcher, in summarizing 21 farm account books that had been kept by farmers. The averages for these 21 farms, the averages for the nine best-paying farms and the individual figures for a well-balanced, diversified farm are shown on page four of this circular. The figures show how these men attempted to answer the questions asked at the beginning of this paragraph.

There is a wide variation in the organization of the business on different farms and in the efficiency with which they are operated. No two farms are exactly alike and if they were, their owners would run them in different ways. It is interesting to note some of the differences between the 21 farms in this group. For instance:

|                                   |    |                                      |          |                                    |     |
|-----------------------------------|----|--------------------------------------|----------|------------------------------------|-----|
| Yield of Corn in Bushels Per Acre | 61 | Dairy Products Sold Per Cow Per Year | \$176.68 | Pigs Raised per Brood Sow Per Year | 6.7 |
|                                   | 60 |                                      | 135.79   |                                    | 6   |
|                                   | 60 |                                      | 114.80   |                                    | 5.4 |
|                                   | 55 |                                      | 91.43    |                                    | 5.2 |
|                                   | 50 |                                      | 61.      |                                    | 5   |
|                                   | 50 |                                      | 57.      |                                    | 5   |
|                                   | 50 |                                      | 54.      |                                    | 5   |
|                                   | 50 |                                      | 52.50    |                                    | 4.5 |
|                                   | 45 |                                      | 46.57    |                                    | 4.5 |
|                                   | 45 |                                      | 44.69    |                                    | 4.5 |
|                                   | 45 |                                      | 41.66    |                                    | 4.5 |
|                                   | 40 |                                      | 37.50    |                                    | 4.3 |
|                                   | 40 |                                      | 32.      |                                    | 4   |
|                                   | 38 |                                      | 31.      |                                    | 3.7 |
|                                   | 38 |                                      | 28.30    |                                    | 3.5 |
|                                   | 35 |                                      | 25.93    |                                    | 3   |

|   |                                |                                |
|---|--------------------------------|--------------------------------|
| Net Livestock Receipts per \$100 Invested | Crop Acres Cared for per Horse | Total Receipts or Gross Income |
| \$142.92                                  | 38                             | \$10158                        |
| 142.62                                    | 37.5                           | 7655                           |
| 137                                       | 36                             | 6321                           |
| 127.14                                    | 30.1                           | 6116                           |
| 122.80                                    | 28                             | 5854                           |
| 121.60                                    | 26                             | 5760                           |
| 121.43                                    | 25                             | 5313                           |
| 90  | 24.5                           | 4878                           |
| 82  | 24.                            | 4293                           |
| 80  | 23.3                           | 3041                           |
| 75.30                                     | 22.5                           | 3741                           |
| 69.25                                     | 21.5                           | 3620                           |
| 63.67                                     | 21                             | 3304                           |
| 53  | 20.6                           | 2914                           |
| 52.75                                     | 20.5                           | 2660                           |
| 48.62                                     | 19.1                           | 2586                           |
| 48  | 18.4                           | 2244                           |
| 45.46                                     | 18                             | 2025                           |
| 37.57                                     | 16.6                           | 1980                           |
| 30.16                                     | 16                             | 1647                           |
| 26.65                                     | 12.8                           | 1644                           |

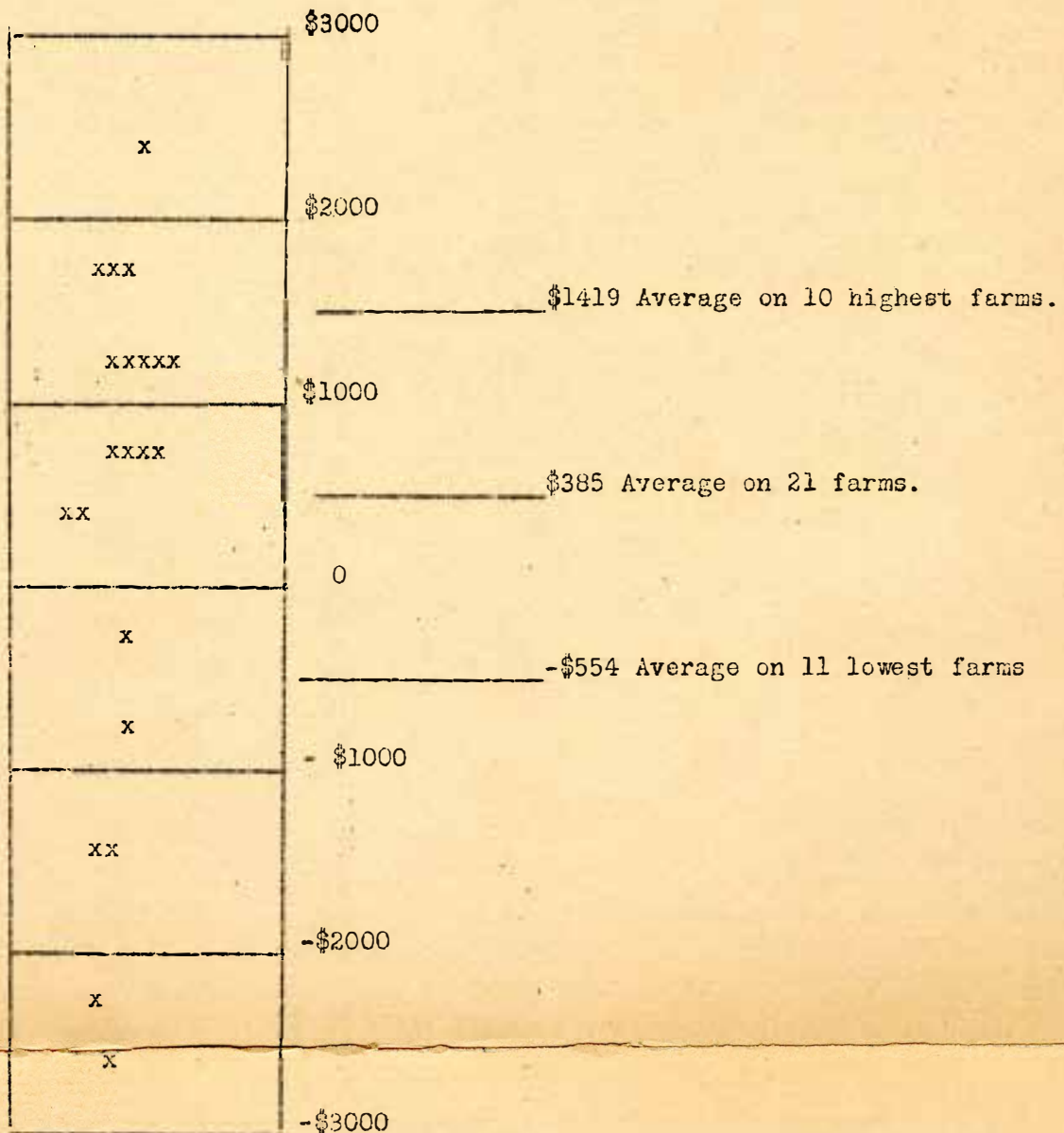
We have just noted the wide variation in Crop Yields; in Livestock Productiveness as measured by the receipts per cow, the pigs raised per sow and the net livestock receipts per \$100 invested; in Labor Efficiency as measured by the crop acres per horse; and in Size of Business as measured by gross income. These are four of the most important factors affecting success in farming and to them might be added a fifth factor, namely, Degree of Diversity. No one man usually excels in all of these points, but it is equally true that the man who is considerably above the average in most of them, makes the best income. The Prices of Farm Products and the Economy of Production are two factors that have also been of importance the past three years and are likely to continue so.

Farmers, as a rule, have reduced their expenses as much as they can. They do not have much to say about the prices which they receive, altho within certain limits they may increase their returns by improving the quality of their product or by shifting from the production of one product to that of another. Some specialized farms are very successful, but it is generally



the less the unit cost of labor and the lower the cost of the crops and livestock products upon which that labor is expended. The figures shown above indicate the wide variation in the productiveness of the livestock on different farms. Better feeding, breeding, care and management will usually increase the returns when they are low. It costs about so much to raise an acre of grain whether the yield be high or low. The higher the yield the lower the cost per bushel and the greater the profit. While there are many factors affecting yield that are beyond the control of the farmer, there are other factors which he can influence and everything possible should be done to raise the level of crop yields because of their important bearing on the profits from the farm as a whole.

LABOR INCOME # ON 21 FARMS IN SOUTHEASTERN SOUTH DAKOTA, 1922.



# Labor Income is what the farmer receives for his year's work after subtracting all farm expenses and 6 percent interest on the capital invested.

SUMMARY OF THE BUSINESS ON 21 FARMS IN SOUTHEASTERN SOUTH DAKOTA, 1923.

Seven of the records are from Minnehaha County, 7 from Sanborn County, 4 from Clay County and one each from Union, Lake, and Gregory Counties.

| ITEM  | Average 21: 9 Farms with | A well-balanced   |
|---|--------------------------|-------------------|
|   | Farms                    | Labor Income Farm |
|   | over \$1,000             |                   |
| 1. Investment - Total #                       | 41877                    | 33132             |
| 2. Land and Buildings #                       | 33804                    | 25570             |
| 3. Machinery and Equipment                    | 1557                     | 1461              |
| 4. Feed and Supplies                          | 1915                     | 1662              |
| 5. Livestock                                  | 3426                     | 3043              |
| 6. Receipts - Total                           | 4237                     | 4437              |
| 7. Grain and Feed                             | 1462                     | 1700              |
| 8. Horses                                     | 28                       | 37                |
| 9. Cattle                                     | 1301                     | 1110              |
| 10. Hogs                                      | 1121                     | 1365              |
| 11. Poultry                                   | 183                      | 170               |
| 12. Miscellaneous                             | 170                      | 55                |
| 13. Expenses - Total                          | 1992                     | 1735              |
| 14. Feed Bought                               | 195                      | 266               |
| 15. Labor Hired                               | 484                      | 328               |
| 16. Farm Improvements #                       | 242                      | 204               |
| 17. Machinery and Equipment                   | 275                      | 263               |
| 18. Other Farm Expenses                       | 847                      | 767               |
| 19. Net Farm Income                           | 2247                     | 2703              |
| 20. Operator and Unpaid family labor          | 656                      | 607               |
| 21. Net Income from Investment                | 1543                     | 2096              |
| 22. Rate of Interest Earned #                 | 5.95 %                   | 9.7 %             |
| 23. Labor Income                              | 385.                     | 1483              |
| 24. Acres in Farm                             | 323                      | 264               |
| 25. Acres in Crops                            | 196                      | 199               |
| 26. Number of Work Horses                     | 8.3                      | 8.3               |
| 27. Months of Man Labor                       | 30                       | 32                |
| 28. Crop Acres per Man                        | 94                       | 110               |
| 29. Crop Acres per Horse                      | 23.1                     | 25                |
| 30. Total Receipts per Acre                   | 13.91                    | 18.16             |
| 31. Corn - Acres                              | 90                       | 96                |
| 32. -Yield per Acre                           | 43                       | 47                |
| 33. Wheat - Acres                             | 21                       | 25                |
| 34. - Yield per Acre                          | 16                       | 15.5              |
| 35. Oats - Acres                              | 50                       | 46                |
| 36. -Yield per Acre                           | 41                       | 38                |
| 37. Number of Brood Sows                      | 17                       | 18                |
| 38. Pigs Raised per Sow                       | 4.1                      | 4.3               |
| 39. Number of Cows Milked                     | 11.3                     | 9                 |
| 40. Dairy Products Sold per Cow               | 52.91                    | 55.85             |
| 41. Increase from Livestock                   | 2600                     | 26.82             |
| 42. Net Livestock Receipts per \$100 Invested | 81.81                    | 87.48             |
| 43. Percent Receipts from Livestock           | 58 %                     | 54 %              |
| 44. Percent of Operating Capital #            | 14.8 %                   | 25 %              |

Figures from farms owned by operators - rented farms omitted.